

# “Fix the FSO” Project

by Colonel C.W. Martin

Our Financial Services Offices (FSOs) do an excellent job of providing assistance to Air Force people. Moreover, the financial services provided by our FSOs are important to readiness. If Air Force people are worried about pay problems, they may be less able to concentrate fully on doing their own jobs well.

But our FSOs need help in order to continue to provide great service. Since August 1997, I have been back in the Pentagon working on the “Fix the FSO” Project. In the last 10 months we have made substantial progress, and this article will update you on the specific efforts to improve our FSOs. I will start with some history of Air Force Accounting and Finance and the “Fix the FSO” Project, discuss the progress to date, and conclude by looking at where we will be going from here.

## Key Actions Taken:

- Secretariat-level Focal Point Established

- Standard Organization Established

- Senior Accountant Position Established

- Airmen Assignment Policy Changed

## History of the “Fix the FSO” Project

In January 1991, the Defense Finance and Accounting Service (DFAS) was activated and the Air Force Accounting and Finance Center (AFAFC), Lowry AFB, Denver, Colorado, along with SAF/FMF, were deactivated. The Commander of AFAFC also served as SAF/FMF. At the time of the transfer to DFAS, the Air Force had over 2000 people working in Denver and a small group of approximately 15 to 20 personnel working Accounting and Finance issues in the Pentagon who reported to SAF/FMF in Denver. After the DFAS stand-up, the Air Force retained no formal Accounting and Finance functions at either Denver or the Pentagon. The MAJCOMs and Wings have had to work out their Accounting and Finance issues themselves, or deal directly with their DFAS Operating Locations (OPLOCs) and the DFAS-Denver Center.

The Air Force has gone over seven years without a Secretariat-level Accounting and Finance organization to support the 40% of the Comptroller career field involved in Accounting and Finance work, and it is beginning to show. The Air Force Inspection Agency did a Functional Management Review in late 1996 to evaluate the effectiveness of Air Force FSOs. The report highlighted problems with no standard FSO organization structure, multiple sources of guidance causing confusion, new policy initiatives being deployed without complete coordination, and low manpower levels in the FSOs.

The status of FSO operations and their relationship with DFAS had become a major discussion topic at recent SAF/FM Comptroller Executive Sessions. At the April 1997 Comptroller Executive Session, Mr Robert F. Hale, SAF/FM, asked the MAJCOM/FMs to provide Accounting and Finance representatives to look in depth at ways to improve the FSOs. The term “Fix the FSO” came out of that Session as a shorthand for efforts to improve FSO operations.

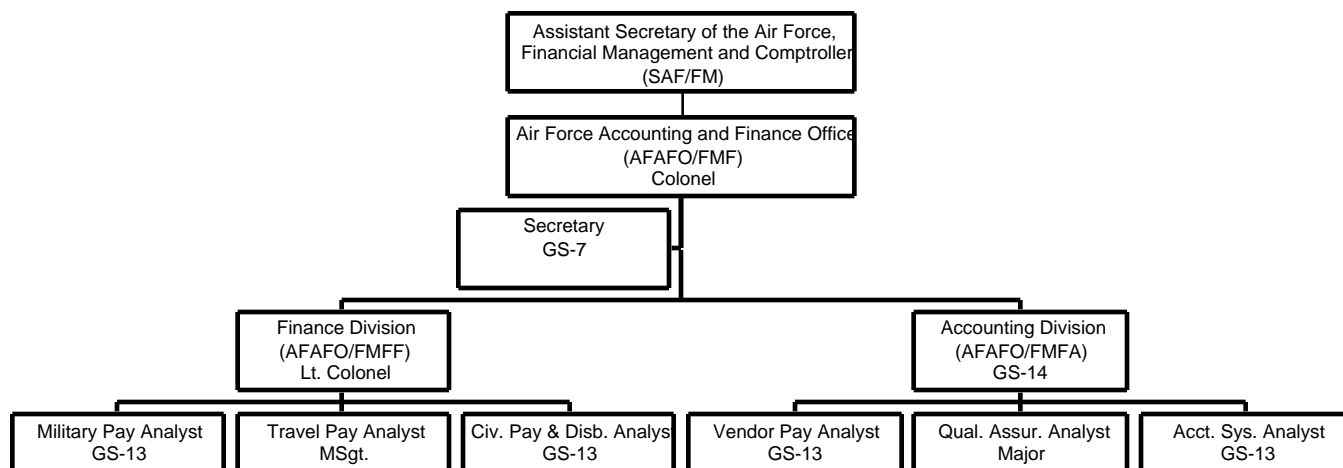
An FSO Study Group headed by Colonel Bill Brogdon from SAF/FMP with representatives from the MAJCOMs, DRUs, and FOAs was formed in May 1997. In July 1997, they issued their report to Mr Hale entitled MAJCOM Representatives' Recommendations to SAF/FM for Improving the Financial Services Office Network. It has also been called the "Fix the FSO" Study. Mr Hale asked me to come back to the Pentagon as his Special Assistant to work on implementing the major recommendations in the FSO study.

### "Fix the FSO" Progress

With the history of the "Fix the FSO" Project behind us, what progress has been made the past 10 months? The best way to answer that question is to look at several key recommendations where action has been taken:

**ACTION ACCOMPLISHED:** Organize Accounting and Finance activities under a Secretariat-level office. The FSO Study Group viewed this recommendation as the key to solving many FSO problems. It would reestablish an Air Force focal point for 40% of the Comptroller work force that has been missing since 1991. This organization would be responsible for the efficient management and oversight of FSOs and Regional Accounting and Finance Offices (RAFOs); ensuring effective internal controls; publishing Air Force Accounting and Finance directives; maintaining close liaison with MAJCOM/FMFs, DFAS HQ, DFAS-Denver, and DFAS OPLOCs; negotiating with DFAS on DFAS/FSO workload transfer issues; representing the Air Force on the Joint Strategic Leadership Council (JSLC); and establishing a Quality Assurance Program (QAP). The organization would be collocated with DFAS in Denver, Colorado.

On 1 April 1998, the 10-person Air Force Accounting and Finance Office (AFAFO) was officially established at DFAS-Denver. The following is the organization structure of the new AFAFO:



### Air Force Accounting and Finance Office (AFAFO)

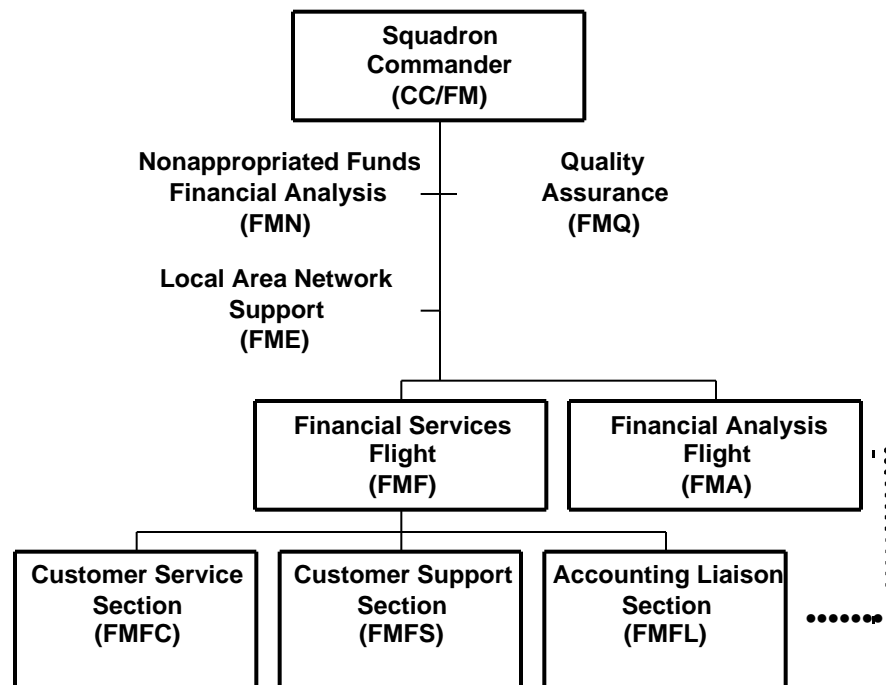
Mr Hale has selected Colonel (S) Martha Beatty as the first AFAFO Director. She will report directly to him. Colonel Beatty is currently the Comptroller at Randolph AFB, Texas, and will report to her new assignment in mid-July. The Master Sergeant position has been filled, and the advertisements for the Lieutenant Colonel and Major positions went on the bulletin board in May 1998. Five of the six civilian positions will be filled by the Financial Management Career Program, and the sixth civilian position will be filled in the Denver area. The Support Agreements with DFAS-Denver, the 21<sup>st</sup> Space Wing, Peterson AFB, and the 821<sup>st</sup> Space Group, Buckley ANGB, are nearing completion.

This action has been accomplished, but now the real work begins. Once Colonel Beatty is in place and has her full staff on board, the AFAFO will begin to work many of the FSO issues that have been neglected for the past seven years. The AFAFO will speak with one Air Force voice to DFAS on FSO and RAFO concerns. The collocation with DFAS-Denver should pay immediate dividends. Now 40% of the Air Force Comptroller career field has a new Secretariat-level focal point!

## “Fix the FSO” Project (Continued...)

**ACTION ACCOMPLISHED:** Establish a standard base-level Comptroller organization. The original FSO Study Group recommendation was for a standard FSO organization since there were a lot of “county options” in the field. They wanted it to include the Accounting Liaison Office (ALO), a QAP, and a Local Area Network (LAN) Administrator.

At the October 1997 Comptroller Executive Session, Mr Hale and the senior Air Force Comptroller community agreed to expand the FSO Study Group’s recommendation from just the FSO to reestablishing a standard base-level Comptroller organization. This new structure would reflect changes in base-level comptrollership in the 1990s. These changes include the creation of DFAS; Air Force Specialty Code (AFSC) mergers in the Financial Services and Financial Analysis areas; increasing reliance on computer systems and equipment; and the stand-up of Comptroller squadrons and flights. Since last October, the entire Air Force Comptroller community, including the MAJCOM/FMs and the SAF/FM staff, has studied and commented on various organizational options and issues. In April 1998, Mr Hale approved the new standard base-level Comptroller organization. It will be included in the next revision to AFI 38-101, Air Force Organization, and implementation should be completed by 31 December 1998. The following is the new organization structure:



Standard Base-Level Comptroller Organization

The standard organization represents a general consensus view among senior leaders in the Air Force Comptroller community. The Accounting Liaison Section (FMFL) was placed in FMF to insure separation of duties and to maintain strong internal controls. Whenever possible, FMFL should be physically collocated with FMA, but still report to FMF, to improve efficiency of operations and customer service. This explains the dotted line on the diagram.

The Nonappropriated Funds Financial Analyst (NAFFA) will report directly to the Comptroller. This position is key to good management of this important part of the Air Force and needs direct access to the Comptroller. A formal QAP has been reestablished. Due to its cross-cutting nature, this function also reports to the Comptroller as does the LAN Administrator because everyone depends on LANs. The FMF has been divided into three sections, Customer Service (FMFC), Customer Support (FMFS), and

Accounting Liaison (FMFL). It is important to establish what specific tasks will be done by each section, and I will discuss that later.

The goal of this effort has been to standardize the Comptroller organization at base-level, and maintain this standardization over time. Therefore, any requests for deviations from this organization structure must be submitted from the MAJCOM/FMs to SAF/FM for approval.

**ACTION ACCOMPLISHED:** Establish a civilian Senior Accountant position in the FSO to head the ALO at each base and move toward filling the position. The FSO Study Group wanted the Senior Accountant position because of the inexperience of many Financial Services Officers today. Often Second Lieutenants become Financial Services Officers on their first duty assignment without any prior Accounting and Finance experience. The Senior Accountant would help train and mentor these new officers, and provide continuity for the FSO. This position could also function as the Deputy Financial Services Officer.

The Senior Accountant position was established in the standard base-level Comptroller organization. The SAF/FM staff is working with the MAJCOMs to identify existing manpower authorizations for this position. SAF/FMPC is developing a standard position description (PD). The MAJCOMs will be able to use it, develop their own PD, or ask each Wing to write a base-unique PD.

**ACTION ACCOMPLISHED:** Assign only 5-level airmen and above to overseas 12-15 month short tours. The problem has been no time to train 3-level airmen at short tour locations. The new 3-level personnel right out of technical school can still get overseas experience, but on long tours where training would be better.

This recommendation has been implemented and is in effect today. The only exceptions are at 12-15 month short tour locations which still have Airman First Class positions on the Unit Manning Documents (UMDs). Affected MAJCOMs should consider swapping UMD positions between short and long tour locations.

### Where Do We Go From Here?

At the May 1998 Comptroller Executive Session, Mr Hale and the MAJCOM/FMs discussed the next steps for the "Fix the FSO" Project. The remaining FSO Study Group recommendations along with other Air Force Accounting and Finance issues will transition to the AFAFO in Denver after Colonel Beatty arrives in July 1998. She attended the Session and got a first-hand appreciation of the need for her new organization and the tasks she and her staff will face when they open for business.

The key steps for the new AFAFO are to get the organization started and establish good working relationships with the MAJCOMs and DFAS. The AFAFO will also work to improve internal controls; develop Air Force directives for FSOs and RAFOs; and represent the Air Force on the JSLC and in Blue Book discussions with DFAS.

In order to keep the "Fix the FSO" momentum going until the AFAFO gets established, Mr Hale and the MAJCOM/FMs agreed on several additional actions in the FSO area to be worked in the near term.

One of the key actions is to develop a QAP. The last Air Force-level QAP was terminated in 1991. Today, most MAJCOMs have some type of QAP, but they differ from MAJCOM to MAJCOM. We do not need to "reinvent the wheel," but build on what the MAJCOMs have already done. This would include publishing an Air Force QAP Instruction and self-inspection guides using the best of the MAJCOM checklists. MAJCOMs could supplement both the Instruction and guides to fit their needs. Mr Ron Speer, the Principal Deputy Assistant Secretary (Financial Management), will take the lead in establishing an Air Force QAP. He will form an integrated process team (IPT) with the AFAFO, DFAS, and the MAJCOMs, and then transition this effort to the AFAFO for implementation.

## “Fix the FSO” Project (Continued...)

Another near-term action is to identify specific duties for personnel working in the Customer Service, Customer Support, and Accounting Liaison Sections of the FSO. This detailed break-out of duties is necessary to update training requirements and establish standardization from base to base as people rotate on PCS assignments. SAF/FMPC will work with the MAJCOM/FMFs to develop an alignment of duties by new FSO section.

### Conclusion

The “Fix the FSO” Project has had some successes this past 10 months, but this was just a start. We now have an Air Force-level Accounting and Finance organization for the first time since 1991. The AFAFO will be located at DFAS-Denver where they can interact face-to-face with DFAS on a daily basis and represent all the MAJCOMs with one Air Force voice. We have reestablished a standard base-level Comptroller organization. This will eliminate the numerous “county options” that existed, and reflects the changes in base-level comptrollership that have occurred in the 1990s. Several more actions are currently being worked which should also help FSO operations. Best wishes to Colonel Martha Beatty as she becomes the first Director of the AFAFO. Keep improving the FSOs!



---

**Editor’s Note:** As mentioned in Colonel Martin’s article, Colonel (S) Martha Beatty, was selected by Mr Hale to be the first AFAFO Director. She offered the following remarks:

*It has been nearly 22 years since I first visited the Denver Finance Center. As a young lieutenant in the finance tech school, I marveled at both the infrastructure of the new facility and the wisdom, professionalism, and technical skills contained within. Much has changed since then with automation, downsizing, and the DFAS consolidation. What hasn’t changed is that 40% of our comptroller work force is still engaged in the accounting and finance business serving our customers in pay and travel issues as well as ensuring the “books” are kept in balance. Yet, since 1991, we have not had an Air Force focal point for finance issues. The customers, our FSO, and MAJCOM FMFs, have not had a senior “ear” or “voice” at Air Staff level. The AFAFO reestablishes this.*

*I’m excited to take on the challenge as the first director of the AFAFO. Our vision is to provide this link; to provide the focal point, to gather together the great ideas developed at bases and MAJCOMs and crossfeed best practices; to help the MAJCOMs develop internal controls and an effective quality assurance program. By partnering with DFAS, we can continue to meet customer demands through new processes and technology while balancing the needs of our own people.*

*I look forward to working with the MAJCOMs and to working for our FSOs in the field.*

